

## Medical discount plans

There is no doubt about it, medical costs are rising. If you are looking for health insurance, make sure that is what you are buying or you could find yourself on the hook for big medical bills.

Dishonest marketers and telemarketers make it sound like they are selling an affordable health insurance plan when they are really selling a medical discount plan. Medical discount plans can be a way to save money on health care costs, but they are not health insurance and aren't a substitute for it.

### Discount Medical Plans

Many consumers do not realize there is a difference between health insurance and medical discount plans.

Health insurance plans generally cover a broad array of services and pay you or your health care provider for your medical bills.

With medical discount plans, you generally pay a monthly fee for a list of providers and sellers who **may** be willing to offer discounts on certain services, products or procedures.

Discount plans are not a form of healthcare insurance and not subject to the same type of regulatory oversight as insurance.

While there are legitimate discount plans that offer savings on services such as dental, vision, chiropractic or prescription services, there are others that take your money and offer very little in return.

### Watch out for scams

The common scam for medical discount plans starts with fraudulent telemarketers making it sound like they are selling a health insurance plan, or they lie about what the plan really offers. They may lead consumers to believe that they are affiliated with the consumer's insurance company, financial institution or the state government.

The discount plan or cards represented over the telephone and Internet frequently inflate savings, hide "administrative fees" and other costs in the fine print, and exaggerate the number of providers that accept them. These medical discount cards can cost more than they are worth.

Ask for all the details in writing before getting the card. If they do not send you the information you may have just avoided a scam.

The tip-off to the medical discount rip-off comes when the promoter asks the consumer to "confirm" some personal financial information, like a credit card or checking account number.

The promoters do this in an effort to convince the consumer that they are verifying information they already have. That is not the case. Once the fraudulent promoters have a consumer's account information, they make unauthorized charges on the consumer's account.

### Be suspicious of

- Promises of high percentage discounts. Many scams offer discounts as high as 60% to 70%. In reality, discount plans typically offer much lower discounts meaning you will probably never see that amount of savings.
- Accepting people with serious illnesses and other medical conditions that other plans probably would reject.

- Seems like insurance, but the agent promoting it avoids using the word “insurance” and instead talks of “benefits.”

## Things to consider

- Determine if fees and membership rates may cost more than the discount received.
- Be wary if the company’s consumer hotline refuses to provide the address and telephone number of the discount health plan.
- Check that your current doctor, pharmacy, dentist and hospital participate in the program. Be sure any lists of participants provided is current.
- Call listed providers to ask about the services and discounts they offer through the program.
- Get all the details of the plan in writing before you sign up.
- Read the fine print of the plan. Many legitimate plans offer an initial consultation visit so you can meet a practitioner before committing to the plan.

## Protect yourself

The Bureau of Consumer Protection advises consumers not to give out personal information, like financial information, over the phone or the Internet unless you initiated contact with the business.

Not only can scam artists use the information to bill your accounts without your permission, but they can also use it to commit identity theft and other types of fraud.

If you think that a telemarketer has tricked you into revealing your credit card or bank account numbers, call your bank or credit card issuer immediately to block any unauthorized charges.

If you are looking to purchase health insurance, know that any company selling insurance needs to be registered with the:

**Office of the  
Commissioner of Insurance**  
**(800) 236-3586**  
**(608) 266-3585**  
**oci.wi.gov**

Contact them to see if the company is registered to sell insurance in Wisconsin.

Check out if complaints have been filed against the business by contacting:

**Bureau of Consumer Protection**  
**(800) 422-7128**

**Better Business Bureau**  
**(800) 273-1002**  
**www.bbb.org**

## For more information

For more information or to file a complaint, visit our website or contact the Bureau of Consumer Protection.

**Bureau of Consumer Protection**  
**2811 Agriculture Drive**  
**PO Box 8911**  
**Madison WI 53708-8911**

**E-MAIL: DATCPHotline@wi.gov**

**WEBSITE: datcp.wi.gov**

**(800) 422-7128**

**FAX: (608) 224-4677**

**TTY: (608) 224-5058**